

**GOVERNMENT OF INDIA
STEEL
LOK SABHA**

UNSTARRED QUESTION NO:337
ANSWERED ON:19.02.2009
SUPPLY OF IRON ORE BY NMDC
Rao Shri Kavuru Samba Siva

Will the Minister of STEEL be pleased to state:

- (a) the quantity of iron ore supply contracted between the National Mineral Development Corporation (NMDC) and the domestic steel companies during the last three years;
- (b) the reasons for not lifting the contracted quantity by the buyers;
- (c) whether the Government proposes to divert sale of iron ore to alternative buyers in order to maintain the production level or encourage the Indian steel manufacturers to fully utilize their quota of iron ore; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF STEEL(SHRI JITIN PRASADA)

(a) The contracted/allocated quantities and supplies effected against these allocations to domestic steel companies by NMDC is given below:-

(Quantity in Million Tonnes)
Particulars 2005-06 2006-07 2007-08

Contracted Quantity 18.6 26.8 26.7

Supplied quantity 18.9 22.5 23.3

(b) The contracted quantities have not been fully lifted by buyers due to following main reasons:-

- (i) Conditions like Force majeure due to maoist threat/attack resulting in power failure in the mines area, damages to railway tracks and damage to conveyor structures etc.
- (ii) Inadequate rake availability.
- (iii) Logistic problems.

(c)&(d): During the current year (2008-09), in view of decline in demand for iron ore due to recessionary trend in steel industry, NMDC is making efforts to develop new customers by going for E-auction and giving advertisement in newspapers for sale of iron ore. NMDC is also pursuing with existing long-term domestic customers for improving the off-take.